

STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE REAL ESTATE APPRAISER BOARD

In the Matter of:

RONALD G. BRANDON, SCGRE
Certification # RG 00123100

CONSENT ORDER

COPY

CERTIFIED TRUE COPY

This matter was opened before the New Jersey State Real Estate Appraiser Board (the "Board") upon the Board's receipt of information concerning two appraisal reports, both dated April 5, 2006, that respondent Ronald G. Brandon signed as "supervisory appraiser" for properties located at 122 East 87th Street, Sea Isle City, New Jersey and 122 West 87th Street, Sea Isle City (the "subject property appraisals"). Both of the subject property appraisals were prepared and signed by Joseph Campbell as "appraiser," and both were prepared for Washington Mutual Bank. The properties appraised were newly constructed condominium units, located approximately one and one-half blocks from the beach, in Sea Isle City.

In reviewing this matter, the Board has considered available information concerning the subject property appraisals, to include, without limitation, information provided within a written complaint concerning the appraisals submitted to the Board by Washington Mutual Bank; written statements that respondent

provided to the Board dated September 10, 2008 and December 24, 2008; and testimony that respondent offered when he appeared before the Board, *pro se*, for an investigative hearing on October 13, 2009.

Upon review of available information, the Board finds that respondent supervised the preparation of and then signed, as "supervising appraiser," two appraisal reports dated April 5, 2006 upon the two subject properties, which were in turn submitted to Washington Mutual Bank. The two appraisal reports were intended to be identical and to have identical value conclusions (as both had been based on exterior inspection only, and both were of newly constructed condominiums having identical design), however in fact the value conclusion on the unit at 122 East 87th Street was \$1,860,000 and the value conclusion for the unit at 122 West 87th Street was \$1,680,000.¹

When appearing before the Board, respondent testified that he was aware that the appraiser, Joseph Campbell, had been

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The two reports are essentially identical (that is, all information reported concerning the units is the same in both reports), and use the same three comparable sales in the sales comparison approach. On the appraisal for the unit at 122 East 87th Street, the location adjustment made for comparable sale #2 was \$15,000, whereas a location adjustment of \$150,000 was made for the same sale on the appraisal for the unit at 122 West 87th Street. Respondent has asserted that the difference was a product of an unrecognized "typographical error," that an adjustment of \$150,000 was intended to have been taken on both appraisals, and that the appraised value that should have been reported on both units was \$1,680,000.

contacted by a representative of the client, Washington Mutual, who had questioned the adequacy of his initial opinion upon the value of the properties (Mr. Campbell had prepared a "draft" appraisal in which he concluded that the property value was \$1,180,000). He further conceded that he was aware that the representative from Washington Mutual had suggested that Mr. Campbell analyze beachfront properties and make downward adjustments for location when developing a sales comparison approach in the appraisal. Ultimately, Mr. Campbell followed the suggestion that was made to him when he selected and analyzed sales of two beachfront properties when developing the sales comparison approach within the subject appraisals.

By signing the reports as "supervising appraiser," respondent necessarily accepted full responsibility for the assignment results and the contents of the appraisal report. See Uniform Standards of Professional Appraisal Practice, Standards Rule 2-3 and comment thereto. The Board has reviewed the subject property appraisals and concludes that the reports were prepared in a grossly incompetent manner, and that the reports are misleading in that the opinion of the value of the two condominium units is inflated to a level which cannot be reasonably supported. The Board finds that, in preparing said reports, respondent violated numerous provisions of the Uniform Standards of Professional Appraisal Practice (the "USPAP"), to include the following:

1) Respondent violated the Conduct Section of the Ethics Rule of the USPAP, by, among other items, failing to perform his assignment without accommodation of the interests of his client and by ultimately communicating a misleading or fraudulent report.

2) Respondent violated the Scope of Work Rule of the USPAP in that, when signing the report notwithstanding his awareness that Mr. Campbell had accepted suggestions made by the client concerning potential comparable sales to analyze in developing the appraisal, respondent allowed the client's objectives to cause the assignment result to be biased.

3) Respondent violated Standards Rules 1-1 (a), (b) and (c), 1-2 (h), and 1-4(a) in developing the subject property appraisals, by, among other items,

- selecting superior properties for use as comparable sales in the sales comparison approach to value, and then taking inadequate downward adjustments for the locations of said properties, when there were other sales of properties situate in non-beachfront locations that were reasonably similar to the subject properties that were not analyzed or considered.

The Board concludes that, by failing to ensure that the subject property appraisals conformed to the requirements of the USPAP, respondent violated N.J.A.C. 13:40A-6.1 and engaged in professional misconduct. The Board thus finds that cause for formal action against respondent exists pursuant to N.J.S.A. 45:1-

21 (c), (d) (e) and/or N.J.S.A. 45:1-21(h). The parties desiring to resolve this matter without need for additional administrative proceedings, and the Board being satisfied that good cause exists for the entry of the within Order,

IT IS on this 4th day of August, 2010

ORDERED and AGREED:

1. The certification of respondent Ronald G. Brandon to practice real estate appraising is hereby suspended for a period of one year, the entirety of which shall be stayed and served as a period of probation, provided that respondent complies with all other terms and conditions of the within Order.

2. Respondent is hereby assessed a civil penalty in the amount of \$10,000, which penalty shall be paid in full upon entry of this Order, or pursuant to such schedule of payments (to include the assessment of interest at a rate of 1.5%) that may be deemed acceptable by the Board.

3. Respondent is hereby assessed costs of investigation, in the agreed upon amount of \$306.50, which costs shall be paid in full upon entry of this Order.

4. Respondent shall, within six months of the date of entry of this Order, take and successfully complete a 15 hour course in the Uniform Standards of Professional Appraisal Practice. Respondent shall be required to secure pre-approval from the Board for any course he proposes to take to satisfy the requirements of

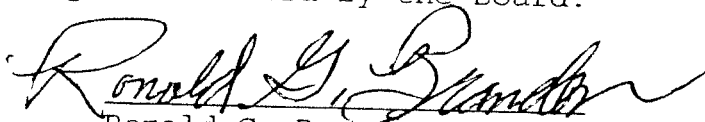
this paragraph. The course shall be taken in a classroom setting (that is, the Board will not approve an "on-line" course). For purposes of this paragraph, "successfully complete" means that respondent shall pass any examination given at the end of the course and/or obtain a passing grade at the completion of the course. Respondent may not claim any continuing education credit for the completion of the course herein required.

NEW JERSEY STATE REAL ESTATE
APPRAISER BOARD

By: _____

Barry J. Krauser, SCGRE
Board President

I acknowledge that I have read and considered this Order, and agree to the entry of the Order as a matter of public record by the Board.


Ronald G. Brandon, SCGRE

Dated: _____

July 26, 2010

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NEW JERSEY STATE REAL ESTATE
APPRAISER BOARD

By: Frank A. Willis
Frank A. Willis
Board President

I acknowledge that I have read and considered this Order, and agree to the entry of the Order as a matter of public record by the Board.

Ronald G. Brandon, SCGREA

Dated: _____